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2015-6

## An Exploration of Higher Education Engagement with Small and Medium Enterprise in Ireland

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# Higher Education Engagement with Small and Medium Enterprise in Ireland

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## Abstract

Higher education institutions are increasingly expected to support regional economic development through knowledge generation and exchange in collaboration with enterprise and industry. In many geographies small and medium industries form the backbone of regional economies and present best opportunities for employment and export growth. While it is understood that working with higher education learning and research expertise can contribute to competitiveness and success for small enterprises, the reality is that many enterprises experience barriers to these partnerships (Collier, Grey, & Ahn, 2011). Barriers relating to cultural differences, inaccessibility, resources and funding availabilities have been reported. Dadameah & Costello (2011) report that SMEs lack awareness of what higher education has to offer and lack clarity on who to contact to establish links.

In Ireland the agri-food sector is of significant importance, employing in the region of 50,000 people directly, as well as providing the primary outlet for the produce of 128,000 family farms. While it is understood that the technology-intensive information and communications sectors tend to have educational and research links with higher education providers, the researchers sought to explore the extent of those links with the more traditional food sector. The sector accounts for just over half of exports by indigenous manufacturing industries.

This study explores the perceptions of employers in small, medium and micro enterprises (SMMEs) in the food sector in the South of Ireland in relation to their interactions with higher education, the potential for their organisation, the barriers to these interactions and key factors which could support the development of broad long-term relationships.

The research methodology employed is a semi-structured interview process and this paper reports on the findings from 26 interviews. The interviewees' awareness of Cork Institute of Technology (CIT) as a higher education provider in the south of Ireland, as well as their expectations and aspirations in relation to interaction with the institute were considered. The research findings indicate a very limited awareness and significant barriers to engagement were reported. Engaging with small and micro enterprises, in particular, presents some challenges for higher education institutions and some recommendations are made for structures, systems and processes in higher education institutions as well as providing a basis for further exploration of university industry interactions and the opportunities for higher education to take intentional steps to enhance and encourage interaction.

## Keywords

Small and medium enterprise, agri-food enterprise, higher education engagement.

# 1 The role of higher education

The role of higher education within economies and societies is the subject of much discussion. As the mission of the university continues to evolve, universities are no longer considered to be dedicated teaching and research institutions; they are now also viewed as engines of the knowledge economy and drivers of economic development with a role in both the generation and application of knowledge (Vorley & Nelles, 2008). In considering this changing role Shattock (2014) suggests that higher education is currently undergoing a fundamental shift in its character and a major transition in its relationship with state and society. Jongbloed et al., (2008) assert that emerging knowledge-based societies require Universities to carefully consider their roles and their relationships with various stakeholders. Considering these relationships and the makeup of the various stakeholder groups is further complicated by the fact that many higher education institutions receive considerable Government funds. Most university mission statements will make reference to teaching, learning, research and engagement, interaction with enterprise or service to communities. The development of the concept of the ‘third mission’ of universities to sit alongside the teaching and research missions has been described by Laredo (2007) as somewhat ambiguous. Jongbloed et al., (2008) consider this mission to broadly include all activities that are not within the traditional teaching and research remit but agree that it is difficult to define.

*Academics and policymakers have long made reference to higher education’s third mission, yet it remains an ethereal component of what higher education actually does. Jongbloed et al. (2008: 312)*

The OECD (2007) considers the regional engagement role of higher education more broadly, including knowledge creation through research and technology transfer, knowledge transfer through education and human resources development, and cultural and community development, which can, among other things, create the conditions in which innovation thrives. Policy responses which had been initially concerned with building opportunities for interactions between higher education institutions and enterprises for the purposes of enhancing technology transfer are now broadening to include consideration of a more diverse range of possibilities for engagement within the wider social, economic and cultural context (OECD, 2007).

## 2 Higher education in Ireland

In Ireland, as elsewhere, it is recognised that building relationships between enterprise and universities has the potential to deliver value for the students, the enterprise, the university and society as a whole. The sustainability and growth of the Irish economy relies on our success in nurturing indigenous Irish enterprise as well as our ability to remain an attractive destination for leading multi-national corporations. With the pace of change in global economics, technological developments and the increasing globalisation of markets, it is clear that regional economic development and future skills needs can best be

addressed through broader foundations of knowledge to facilitate the required adaptability and innovation of the workplace and the workforce.

Ireland has a strong tradition of industry-academic partnership as illustrated in the development in the 1970s and 1980s of a regional network of third level institutes of technology established to provide vocational and technical education and training for the economic social and cultural development of the State with particular reference to regional needs. The institutes' vocational and scientific orientation, as well as their mission to promote regional economic development, has contributed substantially to the development of the Irish economy. In addition, the seven universities in Ireland provide significant opportunities for engagement with enterprise and community development (Sheridan & O'Connor, 2012). The Higher Education Authority, through the development of agreed Mission-Based Performance Compacts with each higher education provider, provides a framework for each institution to identify how it will contribute to national objectives from the position of its particular mission and strengths. The compacts provide for performance measurement in relation to the targets set over a three year period. Each compact includes a section on development plans and objectives, participation equal access and lifelong learning and enhanced engagement with enterprise and the community, and embedded knowledge exchange. This process has ensured that each institution has reflected on their various contributions and set explicit targets in relation to these interactions.

The National Strategy for Higher Education to 2030 emphasises the importance of the engagement dimension of the mission and role of higher education institutions. While anticipating that over the coming years the links and activities between higher education institutions and their local communities will be strengthened, it also points to the onus on higher education institutions to influence national and regional competitiveness and, through community partnerships, to progress equality and community development and further social innovation (Department of Education and Skills, 2011).

This view is echoed by Healy et al., (2014:6) who assert that...

*...despite the resurgence in business-university collaboration, research reports consistently find that cooperation practices are highly fragmented and uncoordinated, particularly when it comes to the educational offer.'*

This fragmentation can result in lack of consistency and coherence in developing relationships and interactions with enterprise presenting some difficulties for enterprise in identifying potential fruitful interaction opportunities.

### **3 Types of Partnership interactions**

The range of activities that can be considered as university-business interactions is broad and varied. It encompasses science-based discovery and the development of new enterprises or the bringing of new products to market with associated quantifiable indicators

such as spin-outs, licences and patents, as well as the provision of a workforce with relevant skills into the regional labour market and cultural and community-based interactions.

Through tracking of the nature of interactions sought by external organisations over a number of years and an analysis of the potential and actual engagements identified, the authors have proposed the following categorisation:

*Table 1: Types of Interactions*

<b>Graduate Formation</b>	<b>Workforce Development</b>	<b>Research and Innovation</b>
Curriculum design	Recruitment	Consultancy
Course review boards	Customised Course Development	Use of equipment and facilities
Guest lectures	Continuing Professional Development	Exploitation of research outcomes
Site visits	Recognition of prior learning	Licencing and Patents
Work placement	Work-based learning	Start-up support and Incubation
Work-based projects		Short contract research
Employability and entrepreneurship		Access to research funding

This study sought to explore, the perspectives of small enterprises in the food sector, the range and extent of existing interactions with higher education, the range of potential beneficial interactions and to propose a means by which these interactions could be best supported and grown.

## **4 Food Sector in Ireland**

Agriculture and food industry is Ireland's largest indigenous sector and has particular importance for employment and development in regional communities. The food sector itself is of significant and growing importance. Since the economic crash of 2008/9 exports from the food sector have grown at a faster rate than any major exporting sector (Henchion). This sector presents significant opportunity for further growth when compared to other economies of similar size and also presents significant challenges due to the presence of a high proportion of rural-based micro enterprises.

Within the food sector the speciality food production of micro and small organisations accounted for approximately €615m in 2012 (Intel, 2012). In looking to the future of the agri-food and fisheries industries the Food Harvest 2020 report stresses the importance of stronger partnership between the sector and scientific community, the need for an enhanced culture of entrepreneurship and innovation and the opportunity to take advantage of advances in science, technology and innovation to position the agri-food sector with the Smart Economy (Department of Agriculture, Fisheries and Food).

Farmers' markets are an important part of the marketing and selling strategies of many small and micro food enterprises. Bord Bia is the Irish state charged with promoting Irish food and horticulture in Ireland and beyond. It provides market information and resources for small and emerging food business. Bord Bia currently lists approximately 150 different Farmers' markets in Ireland on its website. These are variously viewed as a valuable means of directly interacting with the customer, testing new products, and as a route to larger markets for producers who seek to scale up production (Bord Bia, 2013). In order to ascertain the experiences of the food producers in their interactions with higher education and specifically Cork Institute of Technology, interviews were conducted in the main over the space of a number of visits to local Farmers' markets between September and December 2014.

## **5 Research Methodology**

The interview process was chosen for this research study as a quantitative approach such as a survey or poll would have imposed on the research a limited set of potential answers or outcomes and would have had the potential to influence the responses. The qualitative interview methodology allowed the researchers to explore how the interviewees construct meaning and significance from their own situations (Easterby-Smith *et al.* 2002). In order to ensure that the material collected from different interviewees related to the research question and was comparable a semi-structured approach was adopted here. The interviews were broadly guided through an interview guide. The interviews were digitally recorded and the recordings were supplemented with notes.

In total 26 food producers were interviewed with none of those approached declining to be interviewed.

## **6 Research findings**

Of the 26 food producers interviewed their time in business varied from eight months to 14 years. The number of employees varied from one to 30 with an average of five. Three of the organisations reported interactions with Enterprise Ireland which is the government organisation responsible for the development and growth of Irish enterprises start, grow, innovate and win export sales on global markets. By supporting enter-

prises to start, grow and innovate, Enterprise Ireland supports regional economic growth and development. Two respondents reported interactions with their Local Enterprise Office. In Ireland the network of 31 Local Enterprise Offices provide support to start up and grow business. There is a particular focus on local micro and small businesses. Fifteen of the research respondents reported no interactions at all with higher education institutions. Three of the organisations had interacted directly with students from Cork Institute of Technology either through hosting placement students or on-site tours:

*I have interacted with students from Cork Institute of Technology by hosting tours of our premises on an annual basis. The students actually get to meet the people who produce our products and they can see for themselves that we use the best quality products, and we have a unique product. There is a growing awareness of where food is now coming from (Artisan bread producer).*

Of those who had never interacted with a higher education institution only two indicated that they would know how to initiate an interaction. The following quotations are represented of others stated that:

*I wouldn't have a clue who to contact in any third level college. My business is too small and there would probably be nothing of interest there for them to want to interact with me (Fish Vendor).*

*If we take students on placement there would be a huge learning curve, and we are so small we would not have the staff to train in students. If we thought we could get students as interns for longer periods of time, then it probably would be worthwhile investing our time in training them (Coffee vendor).*

*I would like to take on a student to help me with social media, but, they would have to be able to work on their own initiative as we are a small business, and we would not have a dedicated person to direct the student every day. They would also want to have a lot of knowledge of social media before they arrive to work with us (Fruit vendor).*

During the course of the interviews the respondents were encouraged to consider the potential of interacting with students in a number of different disciplines at different levels and a number of cases studies of successful interactions were introduced as possibility guidelines. In these discussions several of the respondents expressed an interest in interactions with marketing students to support brand development and social media interactions which were seen as important in reaching the customer and developing repeat business. Many comments were related to the size of the organisation and indicated that there might not be a capacity to mentor, support and absorb a placement student in one

specific discipline: ‘when you are in a big company you have a marketing person, a production person, a sales person etc. whereas in a small company you are all of those things’.

One respondent was concerned that the experience with the small company might not be positive for the student:

*If we took someone on say to develop our social media and they are sitting in the office for eight hours a day without enough to do – I am not comfortable with that and it is not a good experience for them in learning about the workplace (Food producer).*

A respondent suggested that if approached he would be willing to support graduate formation and the development of entrepreneurial knowledge within the student body as a guest lecturer or mentor:

*For instance the students could pitch their products to me – often students think that if they want it every one will – so a perspective from someone who has been through the experience would add a layer of reality into the creative process. I could ask the difficult questions and bring the real world into the theoretical one. Looking at processing time and machine time and how to scale up the production even if you can get a market is a huge learning curve (Food producer).*

When further questioned about research and development collaboration, access to food preparation or testing facilities, or new product development fewer respondents saw the potential for a partnership with the institute and most had no knowledge of the expertise, facilities or laboratories available in higher education. Just one respondent expressed clear needs for inexpensive microbiology testing, new packaging design, and new product development. This respondent went on to consider that there might be scope for beneficial interaction through the specification of undergraduate projects in collaboration with marketing, visual communication or culinary arts students:

*I had never thought about interacting with any university up to now. I didn’t think there would be any benefit for me, but, we could do with some help with marketing our products and maybe also for testing our new products. All new products need to be different and have a unique selling point, and there is a big learning curve for us when producing new products. We will definitely think about the opportunities that are available through third-level colleges (Salad vendor).*

When questioned, however, about their goals and aspirations for their businesses 11 respondents had ambitions to scale up production and change routes to market. Some interviewees aimed to grow a wholesaling or catering supply operation or supply direct-



ly to restaurants rather than just to the public through the farmers' markets. Others hoped to have their products stocked in retailers and health or specialist food stores:

*Our products are really fresh, and they have no additives, the products are all handmade, and the quality of the product is very important. We believe if we keep it simple, and not too complicated a good honest product will succeed. We would hope to grow our business and get our products into restaurants and also do catering events* (Food producer).

Four of the respondents reported that they had established a retail outlet themselves or intended to move in that direction. In what might be a cautionary tale, one respondent reported a negative experience from having scaled up to supply directly into a large grocery retailer which resulted in the local business being eroded.

All respondents had positive and useful advice to offer to new entrants into the food business with the most often repeated advice stressing the importance of the uniqueness and quality of the product offering, the need to invest considerable time and work into getting the business off the ground and the need to 'really love it'.

## **7 Conclusions and Recommendations**

Interacting with public, private and non-for-profit enterprise is and has always been an important part of the mission of Cork Institute of Technology. These interactions are rarely simple service type arrangements; rather they are complex two-way partnerships requiring the commitment of resources, the support for and development of relationships, and realistic expectations on the part of both partners. Responding to this Cork Institute of Technology has developed a dedicated unit to support interactions and to stimulate new engagement interactions.

The specialist and artisan food sector in Ireland is of growing economic importance and has capacity for considerable growth when compared to economies of similar scale. The research was undertaken as an initial step to establish the current state of engagement of higher education and Cork Institute of Technology in particular with local small and micro businesses in the food enterprise sector.

The research found that both understanding of the potential of interaction and interactions in practice were at a very low level among the research participants. The main barriers to engagement with higher education reported were lack of awareness of the opportunity, lack of time to interact and lack of clarity on the access points to explore interaction opportunities. The respondents repeatedly referred to their time pressures in these very small enterprises and their need to focus on the immediate operational issues of production and selling which meant that time to consider more strategic and longer term interactions is generally not available.

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